

**GOVERNMENT OF INDIA
MINES
LOK SABHA**

UNSTARRED QUESTION NO:3511
ANSWERED ON:22.12.2004
ROYALTY RATES OF MINERALS .
Jogi Shri Ajit

Will the Minister of MINES be pleased to state:

:

- (a) the number of times the royalty rates of limestone, bauxite, iron-ores, dolomite were revised during the last three years;
- (b) the criteria for revising royalty rates of minerals;
- (c) whether the royalty rates of above minerals are under consideration of the Government to be fixed on ad valorem basis of the market rates;
- (d) if so, whether the royalty rates of the above mentioned minerals are to be fixed on ad valorem basis of the selling price;
- (e) if so, the details thereof; and
- (f) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF MINES (DR. DASARI NARAYANA RAO)

(a)&(b) During the last three years , royalty rates of minerals other than fuel and minor minerals, but including limestone, bauxite, iron ore and dolomite have been revised only once on 14.10.2004. Section 9(3) of the Mines and Minerals (Development and Regulation) Act, 1957 provides that Central Government shall not enhance the rates of royalty in respect of any mineral more than once during any period of three years.

Conventionally, for revision of royalty rates of minerals other than fuel and minor minerals, a Study Group is constituted under the Chairpersonship of Additional Secretary, Ministry of Mines, with representatives of major mineral producing States on rotational basis, concerned Central Ministries/Departments, Indian Bureau of Mines, a subordinate office under the administrative control of Ministry of Mines and Federation of Indian Mineral Industries as members. Comments of all stake holders including State Governments are solicited. Considering all these inputs received from stakeholders, and in keeping with parity with the best international practices, royalty rates are recommended by the Study Group.

Recommendations of the Study Group are examined in the Ministry of Mines and after obtaining the approval of the Cabinet Committee on Economic Affairs, revised rates of royalty are notified.

(c) to (f): As recommended by the Study Group, royalty rates of limestone, iron ore and dolomite have been fixed on tonnage basis and royalty rate of bauxite has been fixed on ad valorem basis.